THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.No.2170 of 2006

Dated: 09.06.2006

Between

Muruganapalli Vadde Labour Contract
Co operative Society Ltd., Rep., by its
Pressident Sri C.Munikrishnudu
R/o D.No.22-1044, Muruganapalli,
Chittoor, Chittoor District.

…..Petitioner

and

1.The Chittoor District Co-operative Central Bank
Ltd., rep., by its General Manager, Chittoor,
Chittoor District and others.

….Respondents

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ORDER:

This writ petiton is filed seeking a mandamus declaring the action of the respondents in not extending the benefit of one time settlement scheme to the petitioners-society for NFS loan 394 in the light of the circular issued by the Commissioner cum Registrar of Co-operative Society vide RC.No.A3/RMCC/Cir.OTS/2004-2005 dated 08-09-2004 as arbitrary and illegal and further to declare the EP No.514/2003-2004 dated 26.2.2004 on the file of the 2nd respondent as without jurisdiction.

It is the case of the petitioner-society that they obtained NFS loan on 24.5.2002 and had paid an amount of Rs.12,000/- towards principal. Further the rest of the amounts were not paid. Therefore, after following the due process of law, the property of the petitioner-society was sought to be sold in public auction under the provisions of the Co-operatives Societies Act.

It seems that the petitioner-society has made a representation on 22.9.2004 requesting the respondent authorities to extend the benefit of one time settlement scheme evolved by the bank to their society also. The learned Counsel for the petitioner relied upon the communication purported to have been issued by the Commissioner of Cooperation and Registrar of Co-operative Societies, Chittoor, wherein the Commissioner directed the Branch Managers in the district to scrupulously follow the guidelines issued and settle the overdue NFS loans. In pursuance to the said letter, the case of the petitioner-society was taken up by the Branch Manager, District Co-operative Central Bank Limited, Chittoor, and he passed the impugned order dated 10.11.2004 stating

that the guidelines issued by the Commissioner vide letter dated 08-09-2004 are not applicable to the present case. The OTS scheme as per the circular is extended to the loans, which have become doubtful or loss as on 31.3.2001. Even pending cases before DR/OSD or Courts as on the above dates have also been covered. They relate to the loans obtained on or before 31-03-2001. Since the petitioner-society has availed the loan on 24.5.2002, the said scheme is not applicable to them. Aggrieved by the same, the present writ petiton is filed.

There is no necessity to go into all the details. It is an admitted fact that the petitioner-society availed the loan only on 24.5.2002 i.e., much after the one time settlement scheme was made applicable and extended to the loans which have become doubtful or loss as on 31.3.2001. Since the loan itself is availed by the petitioner-society on 24.5.2002, it is absurd to contend that the petitioner-society is eligible for one time settlement as per the guidelines issued in the circular. In view of the same, the writ petition is devoid of merits and is liable to be dismissed.

Accordingly, the writ petition is dismissed. However, the petitioner-society is granted eight (8) weeks time from today to clear their loan. Till such time respondents shall not take any coercive steps. In default, the respondent-authorities are at liberty to proceed with the matter as per law. No costs.

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09.06.2006

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